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FROM: Charles A. Spears

TO: Letters to the Editor

SUBJECT: Monetary Reformation

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Orig. under

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Andrew Jackson in the distressing 1830's almost ruined this nation's future in his antagonism toward a government bank and national currency. But there never was any logical reasons for a U. S. central bank to be privately owned. Ours since 1914 origin likewise should have been government owned--as we follow British precedent in all things monetary and financial. No other nation exceeds the idea of private banking to such a negative degree.

We partially got off of this sad hump in 1933 after the unnecessary tragedy of depression that the privately owned Federal Reserve policy greatly contributed to. In 1933 Roosevelt took away the strongest one of the three Federal Reserve powers--Eisenhower in 1953, at New York Bank insistence (1% of the banks now in the U. S. A. control 96% of the resources), gave back the "open market" Treasury bond support--and by 1962 we had dried up money from 50% of Gross National Product to 30% with the result that we were 45th amongst the nations in annual economic gain.

Now the present monetary policy, begun about 1953 by William McC. Martin and his economic worship of the Chicago school philosophy (Milton Friedman) that monetary policy is superior to Fiscal policy, has brought us to a 16 year climax where interest rate on Treasury Bills has gone from less than 1% to over 6% and money supply has declined from 50% to 20% of Gross National Product. Today U. S. A. banks are paying European banks 13% for short-term money.

The total result resembles a form of economic suicide whereby the expansion of production for use has not kept pace even with our 20 million population increase of the last 10 years--a 20 million shortage in housing is tragic and getting progressively worse--a deficit supply of product has brought a sick inflationary public philosophy--a loss of favorable foreign trade balances--incapacity to meet domestic insurgency of social discontent considerably due to this negative economic policy--until today it is virtually impossible even for municipal and school projects to be funded.

The extreme immorality of our time is that the money shortage is causing this nation to I M P O R T capital from a world in revolt for need of industrial investment. The Russians couldn't run this country more to their advantage than we are doing in following the Friedman-Martin school. We are losing the real war which is in the economics of this communications stage of industrial revolution that Francis Bacon's "science" projected in 1620 and which did not start until 150 years later when power was first applied to machines. At long last science (C. 1950) has made war untenable and surplus economics possible--at the same time.

What have we been doing for 20 years--non-such since Elizabethan Times when Spain bankrupted herself--unless our Dulles brothers decline might be also likened in effect to that extraordinary popular delusion of John Law's monetary madness that bankrupted France in the late 18th century.

Our re-evaluated socio-economic structure must have a determined Reformation without delay--or we (not Russia) will insure a worldwide revolution for the last one-third of this century.

As far as monetary policy goes there are four basic changes required to free money for positive use to achieve this real opportunity for surplus economics that science has given us:

1. Eliminate useless abacus of gold by computer evaluation of foreign exchange--start by totally removing the guaranteed price--let the Arabs have it all.
2. Let the Treasury Department purchase all of the Federal Reserve stock and computer analyze and determine fiscal policy (of which money is only a part) to achieve positive effect of encouraging maximum production.
3. Make membership voluntary in the central bank (F.R.) and concentrate its service to discounting loans for production. Every bank will soon be eager to join.
4. Insure a basic minimum living standard to all people in this U. S. A. by guaranteed annual wage--and--start exporting know-how and capital assistance on a massive scale regardless of the politics of the foreign recipients. We spent in 1968 enough on militarism to in 36 months double the entire industrial investment of two entire continents (Africa and South America). T H I N K I I

We must recognize that Communist revolution is an archaic anachronism of 1848. It is ^{to} the communication revolution of 1968 that we need to address ourselves. Military repression is not the solution--our policies (Dulles brothers) have destroyed democracy even in the place where it originated some 3000 years ago (Greece).

If money is approached in a logical way we can see that it is basically and simply only a medium of exchange--not necessary for it to have the esoteric connotation of black magic of the so-called international authorities--they (especially the Swiss bankers) are basically fakes and montebanks of comparable morality to the necromancers and the alchemists of the middle ages--interested in promoting what favors their selfish and crooked interests.

By comparison--the Japanese are using money in a positive way through a central bank organized 44 years before ours--and since 1950 their annual economic gain has approximated 9% compared to our 3%. So this nation practically without natural resources will by 1980 surpass our U. S. A. in per capita product--because of positive approach to money whereby the banks in Japan can make more loans than they have deposits by discounting privilege at their central bank.

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